

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 98-079

July 14, 1998

CENTRAL MAINE POWER COMPANY
Request for Approval of Transfer
of Assets - Application for
Authorization to Sell Easements
and Consents for Natural Gas
Transmission Lines

ORDER APPROVING
STIPULATION

WELCH, Chairman; NUGENT, Commissioner

On April 2, 1998, Central Maine Power Company (CMP) and Maine Electric Power Company (MEPCO) filed a request for authorization, pursuant to 35-A M.R.S.A. § 1101, for CMP and MEPCO to sell easements and consents to Maritimes and Northeast Pipeline, L.L.C. (M&N) to place a natural gas transmission pipeline on certain electric transmission line corridors north and east of Westbrook, Maine. M&N has applied to the Federal Energy Regulatory Commission (FERC) for a certificate of public convenience and necessity to build a gas pipeline from the Maine-New Brunswick border through eastern and central Maine to Westbrook. At Westbrook, the Portland Natural Gas Transmission System Pipeline and the M&N pipeline will meet and share pipeline facilities to Dracut, Massachusetts. The M&N pipeline will originate in Nova Scotia.

The conveyances from CMP to M&N involve 26.3 miles of CMP corridors and 47.6 miles of laterals along CMP lines in Cousins Island, Skowhegan and Bucksport, as well as 47.8 miles of MEPCO corridors and 41.8 miles for lateral in Millinocket along MEPCO lines. M&N has proposed alternative mainline routes to the FERC. The agreed-upon consideration will be based upon the final mileage actually used by M&N. The parties also negotiated terms and conditions regarding operation and delineating the respective utilities obligation and liabilities.

Petitions to intervene have been granted on behalf of the Public Advocate, the Industrial Energy Consumers Group (IECG), Maine Public Service Company, FPL Energy Maine, Inc. and M&N. On June 12, 1998, the parties filed a stipulation designed to settle all issues in the proceeding. In the stipulation, the parties request that the Commission grant the requested authorization for CMP and MEPCO to convey the property interests pursuant to 35-A

M.R.S.A. § 1101 to M&N. As part of the stipulation, the parties specifically reserve for future proceedings the determination of the prudence or proper ratemaking treatment of the consideration received by CMP and MEPCO from M&N. The parties also agreed that issues surrounding the safety of the joint use of the utility corridor by electric utilities and gas utilities, while not raised by any of the parties, could be raised by the Commission without rejecting the stipulation.

We articulated criteria for approving stipulations in *Consumers Maine Water Company*, Proposed General Rate Increase of Bucksport and Hartland Divisions, Docket No. 96-739 (July 3, 1997), summarized as follows:

1. whether the parties joining the stipulation represent a sufficiently broad spectrum of interests that the Commission can be sure that there is no appearance or reality of disenfranchisement;
2. whether the process that led to the stipulation was fair to all parties; and
3. whether the stipulated result is reasonable and is not contrary to legislative mandate. See *Central Maine Power Company*, Proposed Increase in Rates, Docket No. 92-345(II), Detailed Opinion and Subsidiary Findings (Me. P.U.C. Jan. 10, 1995), and *Maine Public Service Company*, Proposed Increase in Rates (Rate Design), Docket No. 95-052, Order (Me. P.U.C. June 26, 1996).

We have also recognized that we have an obligation to ensure that the overall stipulated result is in the public interest. See *Northern Utilities, Inc.*, Proposed Environmental Response Cost Recovery, Docket No. 96-678, Order Approving Stipulation (Me. P.U.C. April 28, 1997).

We are satisfied that the proposed stipulation in this case meets these criteria. All intervenors either join or do not oppose the stipulation.¹ The stipulated result encourages efficiency by allowing the joint use of the utility corridor by electric utilities and gas utilities and works to encourage the

¹ FPL Energy Maine did not sign the stipulation but did send a letter indicating that it did not oppose the stipulation.

development of the gas pipeline in Maine. Thus, the stipulated result is reasonable, as was the process leading to the result.

We also note that after review of the planned joint use of the corridor by electric and gas utilities, we do not perceive any safety issues that require further investigation.

As the joint use of the electric utility property by M&N is reasonable and the ratemaking treatment of the consideration received for that joint use is reserved for future proceedings, we agree that section 1101 authorization is proper.

Accordingly, we

O R D E R

1. That the attached stipulation is approved; and

2. That Central Maine Power Company and Maine Electric Power Company are authorized to sell easements and consents along CMP's and MEPCO's corridors to Maritimes and Northeast Pipeline, L.L.C. for M&N to build natural gas transmission pipelines and appurtenant structures.

Dated at Augusta, Maine this 14th day of July, 1998.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: WELCH
NUGENT